

**LASALLE WATERWORKS
DISTRICT NO. 1**

**Financial Statements &
Supplemental Financial Information**

December 31, 2010

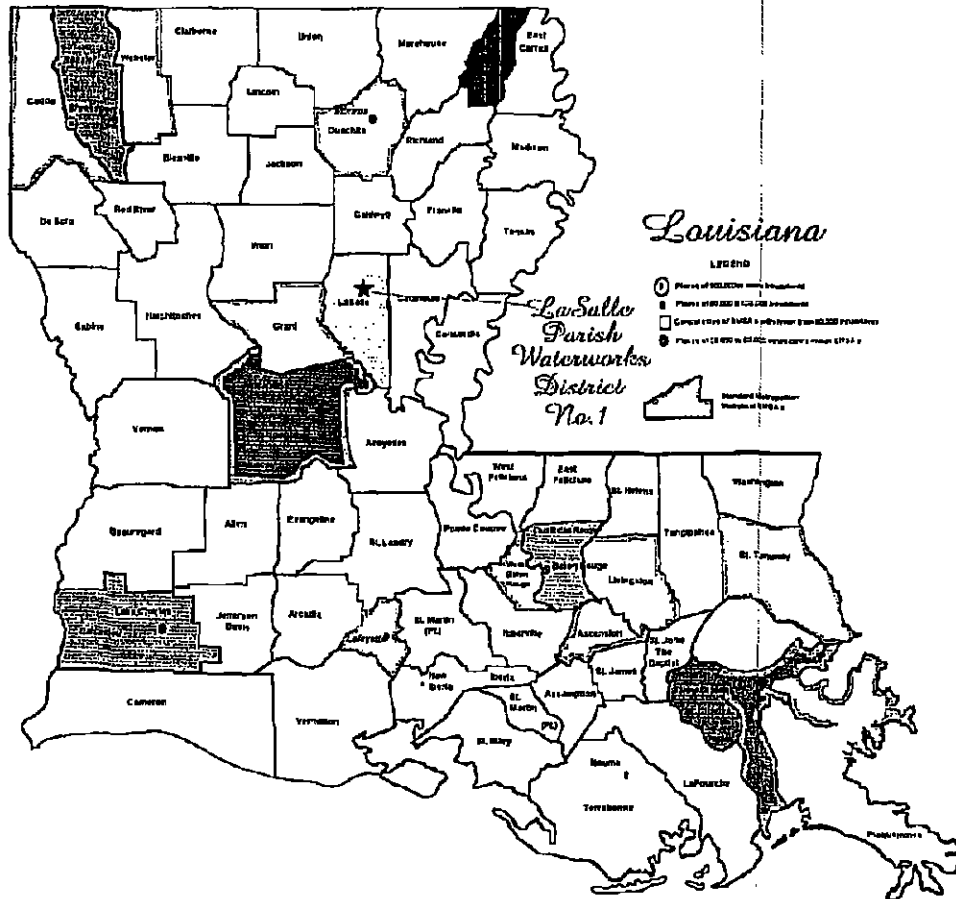
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Release Date

9/7/11

LASALLE WATERWORKS DISTRICT NO. 1

TROUT, LOUISIANA



** LaSalle Waterworks District No. 1*

LaSalle Waterworks District No. 1 was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Waterworks District is administered by a board of commissioners who are appointed by the LaSalle Parish Police Jury. The district owns and operates water facilities and engages in activities designed to provide water to the Goodpine, Trout and Midway Communities.

**LaSalle Waterworks District No. 1
Trout, Louisiana**

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John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

LaSalle Waterworks District No. 1
Trout, Louisiana

We have reviewed the accompanying financial statements of the business-type activities of the LaSalle Waterworks District No. 1, Trout, Louisiana as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the LaSalle Waterworks District No. 1. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the LaSalle Waterworks District No. 1 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

John R. Vercher PC

Jena, Louisiana
April 21, 2011

LaSalle Waterworks District No. 1

PO Box 1

Trout, LA 71371

Telephone: (318) 992-4777

Fax: (318) 992-4837

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the District, we offer readers of the LaSalle Waterworks District No. 1's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the District's audited financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$209,683 (*net assets*). Of this amount, \$92,697 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had total revenue of \$275,198, including operating revenues of \$240,685 and non-operating revenue of \$34,513.
- The District had total expenses of \$336,975 in which \$305,351 was operating expenses and \$31,624 was non-operating expenses.
- The total cash flow for the District had a decrease in cash of \$39,294 in comparison to a \$18,605 decrease for the previous year.

See accountant's report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the *basic financial statements themselves*. *The District is a special-purpose entity engaged only in business-type activities*. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund, an enterprise fund.

Our accountant has provided assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the District's Most Significant Funds

The *District's financial statements* provide detailed information about the most significant funds. The District may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The District's enterprise fund uses the following accounting approach:

Proprietary funds B All of the District's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

See accountant's report.

MD&A

Table 1
Balance Sheet

The following table represents a Comparative Balance Sheet as of December 31, 2010:

Assets	2009	2010	% Change
Current Assets	\$ 139,439	\$ 99,349	-28.8%
Restricted Assets	64,924	57,822	-10.9%
Capital Assets, Net	113,050	110,007	-2.7%
Total Assets	317,413	267,178	-15.8%
Liabilities & Net Assets			
Current Liabilities	7,424	11,328	52.6%
Current Liabilities Payable From Restricted Assets	38,529	40,971	6.3%
Non-Current Liabilities	-0-	5,196	100.0%
Total liabilities	45,953	57,495	25.1%
Net Assets			
Invested in Capital Assets, Net of Related Debt	113,050	102,473	-9.4%
Restricted	26,395	14,513	-45.0%
Unrestricted	132,015	92,697	-29.8%
Total Net Assets	271,460	209,683	-22.8%
Total Liabilities & Net Assets	\$ 317,413	\$ 267,178	-15.8%

Table 2
Changes in Net Assets

The following table represents the Comparative Statement of Revenues, Expenses, and Changes in Net Assets for the year ended December 31, 2010:

	2009	2010	% Change
Beginning Net Assets	\$ 302,825	\$ 271,460	-10.4%
Operating Revenues	238,403	240,685	1.0%
Non-Operating Revenues	33,778	34,513	2.2%
Total Revenues	272,181	275,198	1.1%
Operating Expenses	273,027	305,351	11.8%
Non-Operating Expenses	30,519	31,624	3.6%
Total Expenses	303,546	336,975	11.0%
Increase (Decrease) in Net Assets	(31,365)	(61,777)	-97.0%
Ending Net Assets	\$ 271,460	\$ 209,683	-22.8%

See accountant's report.

MD&A

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2010, the District had \$110,007 invested in capital assets, including the water system, machinery, and equipment.

Capital Assets at Year-End			
		2009	2010
Water System, Machinery, & Equipment	\$	594,909	\$ 608,525
Accumulated Depreciation		(481,859)	(498,518)
Total Capital Assets, Net	\$	113,050	\$ 110,007

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Marie Carter, Clerk, at the LaSalle Waterworks District No. 1, PO Box 1, Trout, Louisiana 71371, telephone number (318) 992-4777.

See accountant's report.

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the LaSalle Waterworks District No. 1

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the LaSalle Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the LaSalle Waterworks District No. 1's compliance with certain laws and regulations during the year ended December 31, 2010 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below whether for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

*Our review found no expenditures for public works exceeding \$100,000 or expenditures for materials and supplies exceeding \$20,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

*We obtained a list from the District.

3. Obtain from management a listing of all employees paid during the period under examination.

*We obtained a listing of all employees from the District.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

*None of the employees included on the list of employees provided by District appeared on the list provided by District in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

*The District is an enterprise fund and budgeting is not required. The District prepares a budget on its operations on a governmental fund basis and therefore is not comparable to the financial statements on an enterprise fund basis.

6. Trace the budget adoption and amendments to the minute book.

*Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

*Not applicable.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and :

(a) trace payments to supporting documentation as to proper amount and payee;

*We randomly selected six disbursements using a random number generator. We examined supporting documents for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

*All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

*All of the payments received approval from proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

*Inquiries of management found that notices were posted at the business office of the District of the meetings' time, place, and agenda.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

*We reviewed the books and records of the District and found no deposits or entries that appeared to be loans.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

*Our review of the payroll records and discussions with District personnel found no evidence of bonuses, advances or gifts being made.

Our prior year report, dated April 5, 2010, did not include any comments or unresolved matters.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the LaSalle Waterworks District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John R. Vercher PC

Jena, Louisiana
April 21, 2011

Basic Financial Statements

LaSalle Waterworks District No. 1
Trout, Louisiana
Statement of Net Assets
December 31, 2010

	ENTERPRISE FUNDS
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 78,094
Receivables (Net of Allowances for Uncollectibles)	21,255
RESTRICTED ASSETS:	
Depreciation & Contingency	15,473
Customer Deposits	42,349
TOTAL CURRENT ASSETS	<u>157,171</u>
NON-CURRENT ASSETS	
Capital Assets (Net of Accumulated Depreciation)	110,007
TOTAL NON-CURRENT ASSETS	<u>110,007</u>
TOTAL ASSETS	<u>267,178</u>
CURRENT LIABILITIES	
Accrued Payroll & Related Taxes Payable	6,134
Accounts Payable	1,591
Accrued Absences	1,164
Sales Taxes Payable	101
Notes Due Within One Year	2,338
TOTAL CURRENT LIABILITIES	<u>11,328</u>
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Customer Deposits	40,971
TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>40,971</u>
NON-CURRENT LIABILITIES	
Notes Due in More Than One Year	5,196
TOTAL NON-CURRENT LIABILITIES	<u>5,196</u>
TOTAL LIABILITIES	<u>57,495</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	102,473
Restricted	14,513
Unrestricted	92,697
TOTAL NET ASSETS	<u>\$ 209,683</u>

See accompanying notes and accountant's report.

LaSalle Waterworks District No. 1
Trout, Louisiana
Statement of Revenues, Expenses, & Changes In Net Assets
Year Ended December 31, 2010

	ENTERPRISE FUND
OPERATING REVENUES	
Water Revenue	\$ 221,821
Other Revenue	18,864
TOTAL OPERATING REVENUE	<u>240,685</u>
OPERATING EXPENSES	
Salaries & Related Costs	171,786
Field Expense	30,147
Utilities	18,729
Insurance	17,804
Repairs & Maintenance	12,165
Truck Expense	9,596
Office Expense	7,098
Dues & Fees	5,274
Telephone	4,230
Legal & Accounting	4,170
Services Contracted	2,575
Miscellaneous	5,118
<i>Depreciation</i>	16,659
TOTAL OPERATING EXPENSES	<u>305,351</u>
OPERATING INCOME (LOSS)	<u>(64,666)</u>
NONOPERATING REVENUE (EXPENSE)	
Fire Revenue	31,658
Fire Expense	(31,624)
Interest Earnings	2,855
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>2,889</u>
CHANGE IN NET ASSETS	(61,777)
TOTAL NET ASSETS - BEGINNING	271,460
TOTAL NET ASSETS - ENDING	<u>\$ 209,683</u>

See accompanying notes and accountant's report.

LaSalle Waterworks District No. 1
Trout, Louisiana
Statement of Cash Flows
Year Ended December 31, 2010

	ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 243,923
Payments to Suppliers	(117,215)
Payments to Employees	(169,911)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(43,203)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipts for Fire	31,658
Payments for Fire	(31,624)
Decrease in Restricted Assets	7,102
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>7,136</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Acquisition & Construction of Capital Assets	(13,616)
Additions to Long-Term Debt	10,418
Principal Payment on Long-Term Debt	(2,884)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(6,082)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Earnings	2,855
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2,855</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(39,294)
CASH - BEGINNING OF YEAR	117,388
CASH - END OF YEAR	<u>\$ 78,094</u>

See accompanying notes and accountant's report.

LaSalle Waterworks District No. 1
Trout, Louisiana
Statement of Cash Flows
Year Ended December 31, 2010

Reconciliation

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$ <u>(64,666)</u>
Depreciation Expense	16,659
(Increase) Decrease in Accounts Receivable	796
Increase (Decrease) in Accrued Wages/Payroll Taxes Payable	2,663
Increase (Decrease) in Accounts Payable	(391)
Increase (Decrease) in Accrued Absences	(788)
Increase (Decrease) in Sales Tax Payable	82
Increase (Decrease) in Customer Deposits	<u>2,442</u>
TOTAL ADJUSTMENTS	<u><u>21,463</u></u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>(43,203)</u></u>
LISTING OF NONCASH INVESTING, CAPITAL, AND FINANCIAL ACTIVITIES	
Contributions of Capital Assets	\$ <u>-0-</u>

See accompanying notes and accountant's report.

**Notes to the Basic Financial
Statements**

**LaSalle Waterworks District No. 1
Trout, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

LaSalle Waterworks District No. 1 was created by the LaSalle Parish Police Jury, as authorized by Louisiana Revised Statute 33:4562. The Waterworks District is administered by a board of five commissioners who are appointed by the LaSalle Parish Police Jury. The district owns and operates water facilities and engages in activities designed to provide water to the Goodpine, Trout, and Midway communities.

For financial reporting purposes, the district is a component unit of the LaSalle Parish Police Jury, the governing body of the parish. The accompanying financial statements present financial information only on the funds maintained by LaSalle Waterworks District No. 1 and do not present information on the Police Jury and the general government services provided by that governmental unit or any of its other component units.

The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the activities of the primary government and its component units. For the most part, the effect of the Interfund activity has been removed from these statements. The District uses enterprise funds to account for its activities.

Separate financial statements are provided for the proprietary funds.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The District reports the following major proprietary funds:

The Enterprise Fund is the District's primary operating fund. It accounts for all financial resources of the District.

LaSalle Waterworks District No. 1
Trout, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to their same limitation. The District has elected not to follow subsequent private-sector guidance.

Operating revenues and expenses have been reported separately from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The primary operating revenue of the District is derived from water revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

C. DEPOSITS & INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

D. RECEIVABLES & PAYABLES

All trade and other receivables are shown net of an allowance for uncollectables.

E. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

LaSalle Waterworks District No. 1
Trout, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Water Plant	50 years
Vehicles	7 years
Equipment	7 years

F. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

G. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At December 31, 2010, the District has cash and investments (bank balances) totaling \$137,097 and were as follows:

Demand Deposits	\$ 47,132
Savings & Certificates of Deposits	89,965
Total	<u>\$ 137,097</u>

Deposits

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are described as follows:

**LaSalle Waterworks District No. 1
Trout, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

- *Category 1* – Insured or collateralized with securities held by the District or by its agent in the District's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- *Category 3* – Uncollateralized.

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Market Value</u>
FDIC (Category 1)	\$ 137,097
Securities (Category 2)	-0-
Total	\$ 137,097

Deposits were fully secured as of December 31, 2010.

3. RESTRICTED ASSETS

At December 31, 2010 restricted assets were applicable to the following:

Customer Deposits	\$ 42,349
Depreciation & Contingency Fund	15,473
Total	\$ 57,822

4. RECEIVABLES

The receivables as of December 31, 2010 were as follows:

Accounts Receivable	\$ 22,374
Allowance for Bad Debt	(1,119)
Total Receivables, Net	\$ 21,255

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2010, for the primary government is as follows:

	<u>Beginning of Period</u>	<u>Additions</u>	<u>Deletions Transfers</u>	<u>End of Period</u>
Capital assets being depreciated:				
Water system	\$ 469,246	\$ -0-	\$ -0-	\$ 469,246
Machinery & equipment	125,663	13,616	-0-	139,279
Total capital assets being depreciated	594,909	13,616	-0-	608,525
Less accumulated depreciation:	(481,859)	(16,659)	-0-	(498,518)
Total business-type assets being depreciated, net	\$ 113,050	\$ (3,043)	\$ -0-	\$ 110,007

**LaSalle Waterworks District No. 1
Trout, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

6. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$8,990 at December 31, 2010 were as follows:

Accrued Payroll & Taxes Payable	\$	6,134
Accounts Payable		1,591
Accrued Absences		1,164
Sales Taxes Payable		101
Total	\$	<u>8,990</u>

7. CHANGES IN LONG-TERM DEBT

The following is a summary of payable transactions of the LaSalle Waterworks District No. 1 for the year ended December 31, 2010.

		<u>Truck Lease</u>
Beginning - Lease Payable	\$	-0-
Additions		10,418
Reductions		<u>(2,884)</u>
Ending - Lease Payable	\$	<u>7,534</u>

The LaSalle Waterworks District No. 1 entered into the lease agreement on 06/11/10 in the amount of \$10,418; due in annual installments of \$2,884.04 (Waterworks' portion) through 06/11/13; interest at 7.25%.

The annual requirement to amortize all debt outstanding as of December 31, 2010, including interest payments, is as follows:

<u>Year Ending December 31</u>		<u>Truck Lease</u>
2011	\$	2,884
2012		2,884
2013		2,884
2014		-0-
2015		-0-
Total	\$	<u>8,652</u>

**LaSalle Waterworks District No. 1
Trout, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

8. FEES PAID TO BOARD MEMBERS FOR THE YEAR ENDED DECEMBER 31, 2010

Don Smith – Water Chairman
Huey King
Johnny Beard
A.D. Erwin
James Atkins

Board members are paid \$60 per meeting when present.

9. WATER RATES

Residential:

Minimum charge \$10.00 for first 2,000 gallons, \$1.50 per 1,000 gallons thereafter

Bulk Rates:

\$10.00 for the first 1,000 gallons and \$1.75 per 1,000 gallons thereafter

Business:

Minimum charge \$12.00 for first 2,000 gallons, \$1.50 per 1,000 gallons thereafter

SEARCY CUSTOMERS:

Residential:

Minimum charge \$15.50 for first 2,000 gallons, \$1.50 per 1,000 gallons thereafter

Business:

Minimum charge \$31.00 for first 4,000 gallons, \$1.50 per 1,000 gallons thereafter

10. ACCRUED SICK LEAVE AND VACATION

The accrued sick leave and vacation is as follows:

<u>Employee</u>	<u>Amount</u>
Charles Smith	\$ 493
Aubrey Brown	209
Sharon Keel	228
Marie Carter	37
Mike Gibson	197
Total Accrued Sick Leave & Vacation	\$ 1,164

Other Reports

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the District's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year comments.

**LASALLE WATERWORKS DISTRICT NO. 1
TROUT, LOUISIANA**

**STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the LaSalle Waterworks District No. 1, Trout, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial report for the year ended December 31, 2009.

PRIOR YEAR FINDINGS

There were no prior year findings.

LaSalle Waterworks District No. 1
LOUISIANA ATTESTATION QUESTIONNAIRE

JOHN R. VERCHER PC
Certified Public Accountants
P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

In connection with your review of our financial statements as of December 31, 2010 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of April 21, 2011 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [x] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [x] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60.

Yes [x] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [x] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Signed: Don Smith

Title: Chairman